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MESSAGE CONFIRMATION

DATE: 05/20/97 TIME: 09:52

ID: BFLO RJR

DATE	TIME	TX-TIME	DISTANT STATION ID	MODE	PAGES	RESULT
05/20	09:50	00:58"	315 622 1199	G3-S	003	OK



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April 14, 1997

To: Division Managers
Retail Managers
Key Account Managers

Re: 1997 SIAP Goals

Upon communicating our 1997 Sales Incentive Award Plan to your Direct Reports, you must re-enforce and/or establish performance standards and expectations for each participant.

To fairly and effectively evaluate each participant's performance during 1997, each individual must have quantitative goals (which are measurable via our various systems) and qualitative standards (not measured via any form of systems report).

These quantitative and qualitative performance standards should all relate back to our Company objectives and Region "Objectives/Performance Standards and Expectations" we all established and communicated during our Annual Plans meeting in December, 1996.

To facilitate this process, we are currently completing Division Marketplace Reviews. We will assess "the current situation" in our markets, establish objectives with appropriate measures towards attainment of objectives and most importantly solicit your actions plans towards achievement of objectives. These marketplace reviews will be streamlined and focused against our key business drivers as follows:

- Market share
 - Product availability
 - Presence
 - Promotion execution
 - Resource utilization
- (see attachment - Region Objectives)

Upon completion of Division Market Place reviews, my expectation is that your Action Plans include objectives for all your SR's/RR's based on individual opportunities which will be identified.

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Note to KAM's: Please provide me with a roll-up (one or two sheets) denoting "the current situation", "objectives" and action plans for all your assigned accounts as it relates to our key business drivers above.

Thank you for all your support and enthusiasm to build our business today and into the future.

Sincerely,

Bill

Bill Roth, RSM

cc: Dave Wilmesher (Blind cc)
Fray Natale
Stephen MacLeod

slapgoal.doc/11497

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1997 Buffalo Region Objectives

- **Market Share:**

	1996 Base	1997 Objective
- Grow Camel (x-reg.) SOM .6	2.79	3.39
- Maintain RJR F.P. SOM	13.69	13.69
- Grow Doral SOC 1.73	13.43	15.16

- **Product Availability**

- Gain / Maintain 95% product availability on National and Region Specific brands.

- **Presence**

- Maintain current contracted CIV in pack, carton and CTS/RS locations.
- Gain new contractual presence where beneficial in high volume accounts and evaluate low volume contracts to ensure they are beneficial.
- Gain additional footprints in package outlets with one F.P. display

	<u>Current</u>	<u>Objective</u>
* % of Contracted Package Outlets with 2 F.P. Displays	48%	68%

- Maintain/decrease present CIV where we are locked out.

- **Promotion Execution**

- Increase Retail Accrual match options:

	<u>Current</u>	<u>Objective</u>
Package Outlets	22%	50%
Carton Outlets	17%	50%
CTS/RS Outlets	55%	100%

- Effectively plan and execute RJR promotional programs and pricing strategies.

- **Resource Utilization**

- Drive towards Region Standards and Expectations relative to manpower deployment.
 - Coverage & Frequency Standards
 - Call Count
 - 9.5 Sales Reps
 - 7.5 Retail Reps

- Effectively evaluate expenses to reduce costs.

Example:

- Storage units
- Local conventions and outings

Always ask yourself

Question: Will it help us sell more cigarettes?

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